

NEVADA ENVIRONMENTAL RESPONSE TRUST
Quarterly Stakeholder Meeting
Conference Call

1:30 PM PST, May 3, 2017

Attendees:	NDEP:	James (JD) Dotchin, Weiquan Dong, James Carlton Parker, Lisa Fleming
	NV AG:	Rick Perdomo
	EPA:	Mark Duffy
	CAP:	No Attendees
	SNWA:	Todd Tietjen
	MWD:	Jill Teraoka, Carol Nagai, Eric Fordham, Betty Kuo, Maria Lopez, Ted Wolff, Mickey Chaudhuri
	COH:	No Attendees
	NERT:	Jay Steinberg, Andrew Steinberg, Steve Clough, Mark Hatch
	Ramboll Environ:	Allan DeLorme, John Pekala
	Tetra Tech:	Derek Amidon, Dan Pastor
	Foley & Lardner LLP:	Tanya O'Neill
	AECOM:	Harry Van Den Berg, Sally Bilodeau, Carmen Caceres-Schnell
	OTHERS:	Peggy Roeffer (Colorado River Commission), Kirk Stowers (Broadbent), Kurt Fehling (Fehling Group)

1. Opening remarks. JD Dotchin presented his opening remarks. Jay Steinberg followed with his opening remarks. Andy Steinberg presented his opening remarks.
2. Trust Financial Update. Mark Hatch began this part of the presentation. It was noted that the Northern Trust accounts were being wound down with the intention of closing them later in the year. The AIG claim numbers presented included the remaining 2016 claims but those had not yet been paid. For the DOD claims, the 2015 demand is \$3,784,451, the objection date has passed without objection and the funds should be received shortly. Jay Steinberg presented the slide on gains and losses on the sale of equities, followed by Mark with the interest and dividend income earned by the Trust. For the slide on the Portfolio Market Value and Projected Investment Income, presented by Jay, Jill Teraoka asked if the ACG renewal was for the same amount. Jay indicated it was for the same amount but he intended to use them more in the current year. Jay also noted that the Trust was not subject to tax on the earnings and the projected income is estimated to come in at \$20MM per year moving forward. Jill asked if the US Bank fees were expected to change. Jay said they are not expected to change and Andy Steinberg added that the contracts do not have escalation provisions and that the ACG amount that was budgeted in 2017 was the same as in 2016. Andy also added that the 2017 Budget had been approved.
3. GWETS. This segment was presented by Steve Clough. On the facility status, Steve stated the average total extraction rate was the highest in his tenure; a memo on the

pipeline improvements would be prepared in June; the GW-11 volume was raised by design due to the extraction rate increase in 2016; Envirogen is preparing to process the AP-5 material through the FBRs; and the NPDES and Minor Air Source Permits have been renewed and updated, respectively. For the IX Treatment System, Steve pointed out that the construction was complete and that in the event of a power failure at the FBRs, the entire Seep Well Field water could be processed through the IX system. There was also a new liner with drip pans installed at Lift Station (LS) 1 as part of the secondary containment system. Jill Teraoka asked about the cost efficiencies of the IX system. Andy Steinberg replied that the 2017 budget had \$920,000 earmarked for the resin use with the current rate being 2.5 cubic ft. per day and that if all held true as it currently stands, the annual cost of resin would be \$400-500,000. Jill asked if more wells would be added to which Andy replied “no”. Mickey Chaudhuri asked how the 250 GPM target was established. Steve responded that it was based on cost efficiencies, groundwater containing lower concentrations of perchlorate are being sent to the IX and NERT activated PC-120 & PC-121 to capture perchlorate on the west side of the SWF (11 lbs/day). Andy added that the IX system is also used to help manage the GW-11 volume. (Unidentified person) asked if the cost solely drives how much flow goes to the IX. Andy responded that it was not directly dependent on the cost. Mickey asked how much volume is going past the IX up to GW-11 from the SWF. Steve said approximately 425 GPM going up to GW-11 and that the SWF Area Bioremediation Treatability Study should pick up another 4 lbs/day going around the east side of the SWF.

4. Continuous Optimization Program. Steve Clough presented this section. Under the 2015 COP Evaluations, Steve noted that the geology was far more complex than Kerr McGee estimated. The infrastructure optimizations that were identified in 2015 were implemented in 2016. Additional GW extraction rate increases could not be accomplished without a long-term soil flushing program due to the alluvial aquifer being dewatered. A memo is being prepared regarding options to improve the effluent discharge rate. Regarding the AWF optimizations, Steve noted that the installation of vertical turbine pumps at LS3 increased the pumping capacity to 500 GPM from approximately 340 GPM. Adding a new backup vertical turbine pump at LS2 to replace a submersible pump ensures uninterrupted conveyance of water from the AWF and SWF to the Site for treatment. For the 2017 COP objectives, AWF optimization would allow an increase to the AWF extraction rate to approximately 500 GPM, the maximum amount the vertical turbine pumps can handle. For the SWF optimization, Steve indicated the IX Treatment system was implemented in February 2017. The wells capturing groundwater with the highest concentrations of perchlorate are being treated at the FBRs, the concentration of perchlorate was higher than at the surrounding wells due to their location in the paleochannel.
5. GWETS/NET. Steve Clough presented this section. One of the available tools, not shown in the presentation, is the chart for perchlorate and chromium removed by month starting in 2016. Although not shown, these are used to discuss the monthly performance. Eric Fordham asked if NERT monitored the water quality. Steve said NERT reviews perchlorate concentrations and flow rates. Long-term trends are monitored using graphical tools and spreadsheets. The annual report addresses changes in quality, and we are still seeing a downward trend in AWF and IWF concentrations with a

slight increase in SWF concentrations. Eric asked if there was a change in water quality with respect to salt content and other minerals. Steve said we are not monitoring this yet but will work with consultants to address, and more wells will be installed in the UMCf and within the alluvium during the Phase 2 RI.

6. AP-5 Project Status. Dan Pastor presented these slides. He noted that testing showed approximately 400-600 tons of perchlorate was transferred from the AP-5 pond to the solids washing tanks. On the subject of next steps, Jill Teraoka asked about the pond closure timeframe and if this would be related to the decant processing. Dan said it would be independent from the decant processing but also within approximately 18 months. For the liner removal, Dan stated it was double lined with the primary liner having been compromised; therefore, the sand drainage layer under the primary liner may have been impacted as well. Dan noted that samples of the berm materials indicated the presence of perchlorate, and the full extent and concentrations will need to be evaluated. Envirogen is currently starting to prepare for the treatment of decant from the solids washing process in the FBRs. Mickey Chaudhuri asked about the decant flow rate. Dan said it would be variable depending on Envirogen and FBR capacity. Andy Steinberg added that the plant currently was at roughly 40% of capacity and adding 5 GPM of decant would push that to 85% of capacity and based on the volume and concentration of the decant, treatment of all decant will last approximately 18 months.
7. SNWA Weir Dewatering Treatment. Steve Clough presented this section. Under the project status section, Carlton Parker added that bids were currently out on the construction and water should be ready to process between August and October.
8. 2017 Stakeholder Technical Roundtables. Steve presented the schedule of upcoming discussion topics. Jill Teraoka asked if there would be PowerPoint Presentations distributed ahead of the meetings. Steve said there would be.
9. Community Involvement Update. Steve Clough presented this section. The revised community involvement plan now includes the Eastside Study Area.
10. MWD Questions. A) What is the status of the NERT RI Downgradient Study Area? JD Dotchin and Carlton Parker said that comments had been received from BOR on the Draft Environmental Assessment and the desert tortoise issue is being addressed. The Geophysical Pilot Study Tech Memo was being reviewed. The transducers were installed in groundwater wells. Response to comments coming out and will change the future work plans. B) What is the status of the Phase 3 RI Work Plan? Andy Steinberg said the work plan will be distributed on 5/8/17 with a roundtable in late May and that comments should be made before the roundtable. C) What are NERT's Goals and Priorities for 2017? JD said the IX Cost Analysis should be complete by late June with a plan to move forward. D) What is the status of the Value Engineering (VE) evaluations? Steve Clough explained that the VE evaluations will be completed by an independent engineering company for activities costing in excess of \$2MM. That would likely include planned treatability studies for Unit 4 and the LVW. E) Status of additional NERT and/or Le Petomane new employee? Andy Steinberg answered that the Trust hopes to start looking by 7/31 and is currently evaluating the needs and budget

requirements. F) What is the significance of the VOCs found in soil during the RI Phase 2? Steve said this necessitated a revision of the field health and safety protocols. New borings identified elevated VOCs in soil with high enough concentrations that they needed to stop drilling and assess the need for additional personal protection equipment for personnel performing the drilling and sampling. Preliminary analytical results indicate the need for additional monitoring wells to better define the extent of elevated VOC concentrations. Limited data are available to determine what needs to be done or even where it is coming from. Does not appear to be from the old landfills. G) Status of the operation and efficiency of the SWF IX system? Andy indicated this had already been covered earlier in the presentation. H) Updated Gantt Chart available? Steve said it was being updated and finalized and should be released within the next 2 weeks.

11. Closing Questions / Comments. There were no additional questions.

The meeting was adjourned.